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TAGS: [ETRD](#) [NI](#) [WTRO](#) [USTR](#)
SUBJECT: NIGERIA: NEW GON COMMERCE MINISTER SUPPORTS STRONG
TRADE TIES WITH UNITED STATES

REF: A. ABUJA 40
[B](#). ABUJA 29
[C](#). 02 ABUJA 3357
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Summary

[1](#). (U) Minister of Commerce Ngelale told the Ambassador in a January 10 meeting that he intends to follow his predecessor as a strong voice for sub-Saharan Africa in the WTO. He also endorsed a constructive relationship between the United States and Nigeria on trade issues. A Ministry of Commerce official separately previewed Nigerian positions on current U.S. proposals in the WTO, indicating likely support for our TRIPs moratorium but opposition on agriculture. Minister Ngelale also expressed disappointment that Nigeria had not yet taken full advantage of AGOA and discussed how AGOA legislation pending in the National Assembly might be passed. End Summary.

Maintaining a Strong U.S.-Nigeria Trading Relationship

[2](#). (U) Minister of Commerce Precious Ngelale told Ambassador Jeter in a January 10 meeting that he intends to be a constructive voice for sub-Saharan Africa in the World Trade Organization (WTO). He recognized with "pride and gratitude" that his predecessor was such a voice. Ngelale pledged to work within the WTO framework to ensure that developing countries are not disadvantaged in the world trading system.

[3](#). (U) Mentioning the productive relationship between the United States and Nigeria in recent years on trade issues, Ngelale hoped to continue working collaboratively with the United States in this area. In particular, he desired to work closely with Ambassador Zoellick and looked forward to meeting Zoellick at the Mauritius AGOA forum.

WTO and GON Trade Policy Formulation

[4](#). (U) Only on the job for two weeks, Ngelale recognized that he was still learning many issues, including the WTO. He was unable to respond to the Ambassador's queries on specific U.S. proposals such as our TRIPs moratorium, agricultural proposal, and our proposal for market access for nonagricultural goods, but he promised that Nigeria's positions would be formulated in terms of the broader national interest and not narrow vested interests.

[5](#). (U) Ngelale took on the Ambassador's suggestion that the Ministry and Embassy establish a working-level committee to discuss WTO issues, and on January 13, Ministry of Commerce Deputy Director for Bilateral Trade A. T. Ogunfemi and Deputy Director for Multilateral Trade Ibrahim Ma'ibbi provided Econoff with a preview of likely Nigerian positions on WTO issues.

[6](#). (U) Ma'ibbi said Nigeria would not likely back the U.S. agricultural proposal. In particular, he said Nigeria was concerned about significant tariff liberalization on agricultural goods because reducing tariffs on rice, for example, would spell the immediate doom of Nigerian rice farmers. Nigeria's non-oil economy, still agriculturally based, could not absorb the many dislocated farmers quickly, and this would hurt the Nigerian economy. Ma'ibbi also contended that tariff liberalization would put Nigerian food security in a more perilous state than it currently is as a net importer already. Ma'ibbi added that Nigeria would likely support efforts to limit domestic support and export subsidy programs in developed countries, but would like to see the

door left open for developing countries to provide support for agricultural development.

17. (U) On the TRIPS moratorium, Ma'ibbi characterized the U.S. offer as forward leading. He expressed appreciation for U.S. efforts to improve access to medicine for the treatment of serious health epidemics in Nigeria. However, he was unable to say unequivocally that Nigeria would support the U.S. proposal. On services liberalization, he said Nigeria would seek gradual liberalization.

18. (SBU) Ma'ibbi emphasized that these positions were preliminary and would have to be adopted as the national trade policy. He went on to provide a candid assessment of the GON weaknesses in trade policy formulation. First, coordination was poor among agencies such as the Ministry of Commerce, Ministry of Finance, and Ministry of Industry. Second, the knowledge base of government officials on trade issues within each of these Ministries was low. Third, the Nigerian private sector generally opposed trade liberalization out of fear of increased competition. Without a domestic constituency for free trade, it is difficult to secure government resources for that objective, he said. In response to a query, Ma'ibbi promised to provide Econoff with suggestions on where assistance in trade capacity building would be most effective.

AGOA

19. (U) Echoing the Ambassador, Ngelale also was disappointed Nigeria has not taken full advantage of AGOA. He pointed to two key factors limiting his country's participation. First, he recognized that AGOA-consistent textile visa legislation needed to be enacted. Under his leadership, he contended the Ministry of Commerce would be prepared to take a more active role in getting the National Assembly to pass the measure. Ambassador Jeter pointed out that part of the problem was the AGOA-related measure had been included in an omnibus customs reform bill. The overall customs bill was facing stiff opposition for several reasons and the AGOA measure had become a casualty. Ambassador Jeter then suggested that the Assembly remove AGOA textile provisions from the comprehensive customs bill. Ngelale agreed to consider this option and readily accepted the Ambassador's offer to join him in a call on key legislators to explore it further.

110. (U) The second reason for Nigeria's failure to take advantage of AGOA, according to Ngelale, is that stakeholders--in particular the private sector--do not fully understand the advantage that AGOA gives African nations. The Minister pledged to more actively educate the private sector on AGOA opportunities.

Comment

111. (SBU) The constraints in trade policy formulation described by Ma'ibbi confirm our belief that support for U.S. positions on trade issues will not be won in the public arena. Rather, the cultivation of relationships with key players such as Minister Ngelale will be vital. Fortunately, Minister Ngelale appears favorably disposed to maintaining close relations on trade issues. In the long-run, though, it is clear that trade capacity building will be important to maintaining and garnering more Nigerian support for our trade initiatives. We intend to assess the Commerce Ministry's most critical needs and recommend to Washington priority areas for capacity building support.

112. (U) Meanwhile, the Economic Section will follow-up on the Ambassador's proposal to establish a working-level committee between the Embassy and the Ministry on WTO issues. We envision this committee will meet every six weeks. With support from our Public Affairs Section, we hope to provide the Ministry with the background information it needs to build its institutional capacity on WTO issues of priority to the United States. End Comment.

JETER